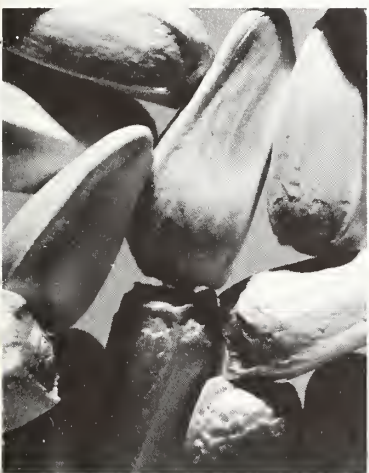


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# FOREIGN AGRICULTURE



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**The EC:  
Poultry Oversupply  
Talks on Enlargement  
World Fats and Oils Market**

July 27, 1970

Foreign  
Agricultural  
Service  
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OF AGRICULTURE



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## This week's cover:

The three oilseeds pictured on the cover (sunflowerseed at top, safflowerseed at center, soybean at bottom) have been involved in the dramatic story of the current world fats and oils market. Of these, soybeans are No. 1 and sunflowerseed No. 2 in world production and trade.

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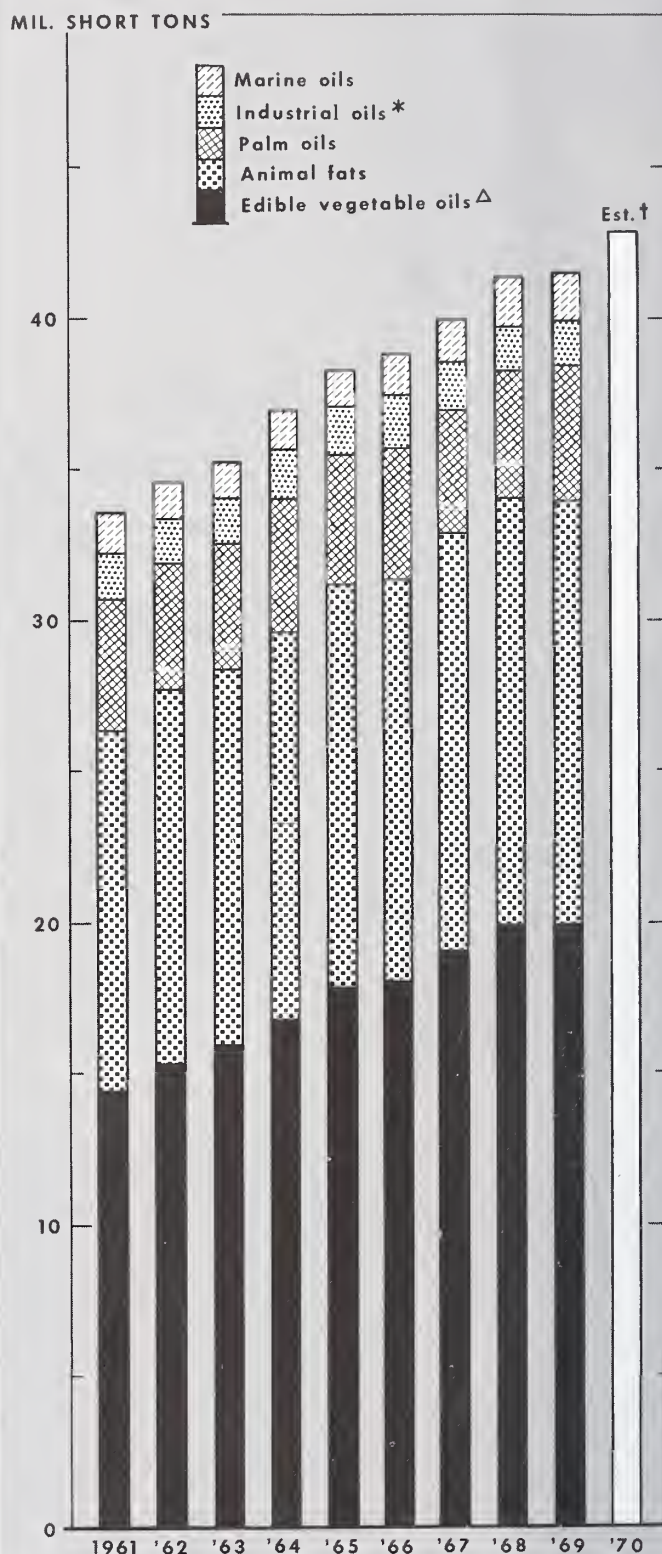
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# World Fats and Oils

## WORLD PRODUCTION OF OILS AND FATS



\* INCLUDES LINSEED, CASTOR, DITICICA, AND TUNG. Δ INCLUDES COTTONSEED, PEANUT, SOYBEAN, SUNFLOWERSEED, RAPESEED, SESAME SEED, SAFFLOWERSEED, OLIVE OIL, AND CORN OIL. † BREAKDOWN NOT YET AVAILABLE.

# Developments in a Dynamic Market

By STANLEY MEHR

*Fats and Oils Division, FAS*

For about a year now—beginning in the summer of 1969—the world has been in the midst of one of the most fantastic fats and oils marketing situations ever witnessed. Two features have stood out in this period: astronomically high prices for the entire spectrum of fats and oils and a nearly incredible export movement of U.S. soybeans. Only as far back as 1961 have there been analogous price levels. And of course, there is no precedent for the absolute volume or increase in volume of U.S. soybean exports.

## **Varied causes noted**

It is only natural to wonder, "How did this come about?" and, "What will happen in the marketing year 1970-71?" Although the past may be easier to read than the future, it is still somewhat puzzling that prices went as high as they did and then persisted for so long. In retrospect, it is generally agreed that the basic causes for the 1969-70 bull market were:

- World production of fats and oils in 1969, instead of increasing as normally by about a million short tons, was virtually the same as in 1968 (41.4 million tons versus 41.3 million tons, respectively).

In the sector of soft edible oils, which accounts for nearly half of the total, production was down for key oils—peanut, rapeseed, and sunflowerseed—and for minor oils such as sesameseed and safflowerseed. Only an increase of over 400,000 tons in soybean oil production kept this category from showing a substantial decline. Fish oil production also declined significantly, as did lard production. However, increases were registered for olive oil, the lauric group as a whole (mainly palm oil), and the industrial oils (mainly linseed and castor).

- Even more important, world exports also leveled off in 1969 and showed almost no increase over 1968, though the previous trend for exports had been upward by about 360,000 tons a year. So in a sense, exporters have been trying to make up for last year's shortcomings in addition to moving the normal current volume.

- Stocks of oils and oilseeds were probably at exceptionally low levels the world over by late summer 1969. In the United States, inventories were drawn down in anticipation of the lower support price for the 1969 crop of soybeans. In Europe and other importing countries, inventories were drawn down not only in anticipation of cheaper U.S. soybeans but also in anticipation of another year of abundant Russian sunflowerseed oil which did not materialize. Although major West European markets obtained even more sunflower oil—from all sources combined—in 1969 than in 1968, most of the increase was early in the year; and for the early months of 1970, West European imports of sunflower oil were substantially less than in early 1969. Also, other importing countries such as Iran, the U.A.R., Pakistan, and Morocco could not obtain as much sunflower oil in 1969 as in 1968.

- Consumption of fats and oils appears to have risen surprisingly in recent years—in countries as diverse as the United States and Pakistan—although there is still doubt whether all of the spurt in apparent disappearance was due to actual consumption. The possibility exists that there has been some

buildup of invisible stocks of oils and oil products as buyers rushed to buy in a rising market. True, the high cost of money at present would tend to discourage investment in inventory; but on the other hand, what could be a better investment in a period of inflation than commodities?

The rise in U.S. consumption of edible fats and oils—possibly 5 percent in 1969-70—is attributed largely to the expansion of drive-in restaurants featuring fried chicken, fish, and potatoes, as well as to the demand for frozen foods similarly fried. Japanese consumption has continued to increase as Japan's economy has boomed, and in countries such as Pakistan and Taiwan improving economic conditions have stimulated oil consumption.

## **Increased production expected in 1970**

But what about the coming oil marketing year—the 1970-71 season? Obviously there is still considerable ignorance this summer as to what the 1970 harvests will be. Who can say now how big an acreage is being seeded to peanuts in West Africa and India or to sunflowerseed in Eastern Europe and the Soviet Union? And even the area already planted with soybeans in the United States and rapeseed in Canada is still subject to some uncertainty. Also, it is impossible to know what kind of weather and yields these crops will have.

However, some things seem clear. On the production side, the 1970 output of fats and oils—much of it from oilseed crops harvested late in 1969—will be significantly larger than last year. Obviously, soybean oil production will be much higher—possibly a million tons, or 17 percent over 1968. Peanut oil production should also be higher, possibly by 200,000 tons, although there will be only a small increase in export availability because much of the production gain will be in India. Assuming much larger European and Canadian crops, there may be 450,000 tons, or 26 percent more rapeseed oil in 1970, although the Canadian crop may be reflected more in 1971 oil availabilities. Sunflowerseed oil production in 1970 (from 1969 Northern Hemisphere and 1970 Southern Hemisphere crops) should be down somewhat. However, there is much uncertainty as to Soviet oil production and marketing intentions—especially vital because the Soviet Union accounts for about three-fourths of the world's sunflowerseed oil exports—and information on USSR export intentions in particular is not known.

Production of the main lauric oils—coconut, palm, and palm kernel—should be appreciably higher in 1970 (possibly by 300,000 tons or 7 percent in aggregate).

The industrial oil category may be up 100,000 tons or 4 percent, owing to larger U.S., Canadian, and Argentine crops.

As for animal fats, butter production may not change much, while the outturn of lard and tallow will be somewhat larger. The decline in fish oil production appears to have leveled off and some increase is expected for 1970.

All in all, 1970 world fats and oils production may total about 43.5 million tons, up 2.1 million tons (5½ percent).

## **Future expansion expected**

The implications for world oil production in 1971 (mainly from 1970 oilseed crops) are for a further expansion. It



AVERAGE MONTHLY WHOLESALE PRICES IN EUROPEAN MARKETS FOR SELECTED OILSEEDS,  
VEGETABLE OILS, AND MEAL

Month	Soybeans (American, No. 2 yellow bulk, c.i.f. European ports)					Soybean oil (any origin, crude, ex-tank, Rotterdam)				
	Average 1960-64	1967	1968	1969	1970	Average 1960-64	1967	1968	1969	1970
	Dol. per short ton	Dol. per short ton	Dol. per short ton	Dol. per short ton	Dol. per short ton	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
January .....	94	106	103	101	99	10.6	10.4	8.9	8.3	11.5
February .....	96	106	104	101	102	10.6	10.3	8.8	8.6	11.8
March .....	97	105	104	100	103	10.7	10.4	8.6	8.2	12.3
April .....	98	105	102	100	105	10.7	10.3	8.6	7.7	13.5
May .....	98	106	104	102	106	10.5	10.2	8.6	7.8	13.6
June .....	95	106	102	99	110	10.2	10.1	8.1	8.0	13.3
July .....	93	105	101	95	—	10.1	9.9	7.3	8.2	—
August .....	90	101	96	97	—	10.0	9.5	7.1	8.2	—
September .....	92	101	95	91	—	10.0	9.4	7.4	9.1	—
October .....	93	100	94	93	—	10.7	9.2	7.5	11.0	—
November .....	95	101	99	96	—	11.2	9.0	7.8	11.7	—
December .....	97	103	101	96	—	11.3	8.9	8.4	11.5	—
Average .....	95	104	100	98	—	10.5	9.8	8.1	9.0	—

Month	Fishmeal (Peruvian, 65 percent, c.i.f. European ports)					Sunflowerseed oil (any origin, crude, ex-tank, Rotterdam)				
	Average 1960-64	1967	1968	1969	1970	Average 1960-64	1967	1968	1969	1970
	Dol. per short ton	Dol. per short ton	Dol. per short ton	Dol. per short ton	Dol. per short ton	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
January .....	113	150	120	125	185	10.7	10.3	8.3	8.4	13.1
February .....	112	150	120	134	181	10.3	10.0	8.2	8.6	13.2
March .....	115	150	116	130	159	11.0	10.0	7.6	7.9	13.9
April .....	117	136	113	133	171	11.0	9.6	7.2	7.4	14.9
May .....	117	( <sup>1</sup> )	120	149	179	11.7	9.5	7.1	7.6	16.0
June .....	117	( <sup>1</sup> )	129	157	187	11.5	10.1	7.3	8.2	15.9
July .....	115	( <sup>1</sup> )	128	162	—	10.7	9.9	6.8	8.8	—
August .....	115	( <sup>1</sup> )	125	158	—	10.7	9.8	7.3	8.9	—
September .....	118	155	120	166	—	10.6	9.4	8.0	10.4	—
October .....	120	( <sup>1</sup> )	115	207	—	10.9	9.1	7.7	12.9	—
November .....	119	120	121	205	—	11.3	8.9	8.1	13.4	—
December .....	119	120	130	201	—	11.7	8.6	8.5	13.0	—
Average .....	116	140	121	161	—	11.0	9.6	7.7	9.6	—

<sup>1</sup> Not quoted.

appears that there will be more soybean acreage in the United States and Brazil, and, because of higher peanut prices, peanut producers in West Africa and India have the incentive to plant more acreage and devote more inputs to the crop. As already mentioned, the potentially large 1970 Canadian rapeseed crop means more oil in 1971 as well as in late 1970. The high sunflowerseed product prices already appeared to be stimulating East European plantings during the spring. In this connection, however, the floods in Romania and the Ukraine and the earthquake in Peru have caused considerable uncertainty as to the prospects for sunflowerseed and fish products. The expansion of palm oil, from trees already planted, should continue; and the turnabout in Philippine coconut production expected in the latter half of 1970 should continue into 1971 if unfavorable weather does not nullify increased bearing acreage.

Stocks in the fall of 1970, as foreseen in early summer, should be a little more abundant than a year earlier. This is not to say that they will be heavy by any means, but just a little less skimpy. Opportunities for appreciably larger stocks may occur early in 1971 if the potentially larger peanut, rape, sunflower, palm, and coconut crops materialize.

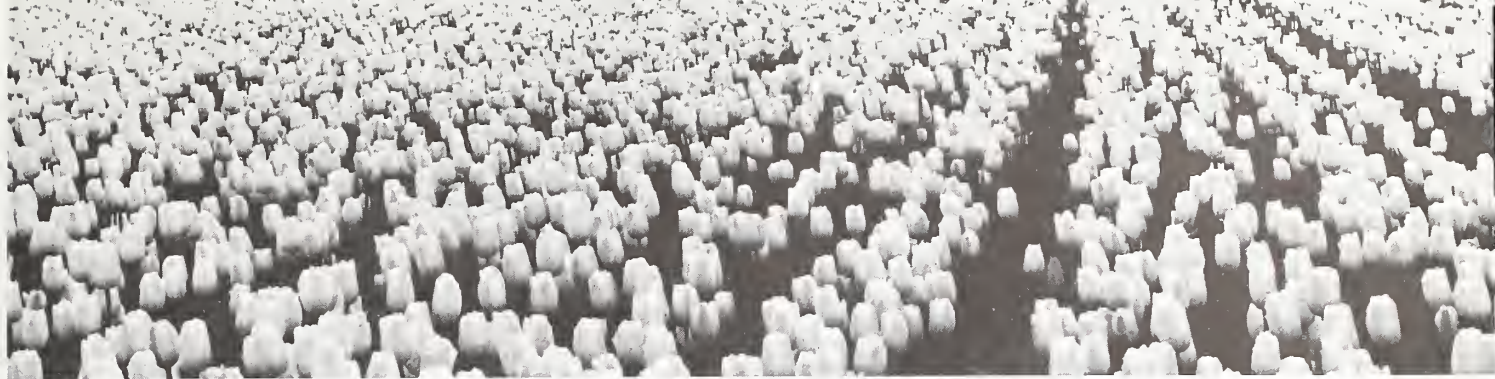
Pressure for higher consumption should continue in countries with low per capita income levels, be they advanced

countries such as Japan or developing countries like Pakistan, India, or Taiwan. It is doubtful, however, that U.S. consumption will continue to grow as it has in recent months. Some quarters feel also that Western Europe is due for the same sort of expansion in consumption as the United States.

In conclusion, barring some serious and presently unforeseen failures, it appears that some relaxation of the tight world supply-demand situation is to be expected—possibly in late 1970 or early 1971.

## The Soybean Boom

During the current market season, exports of U.S. soybeans are running 43 percent ahead of last season. For the period September 1, 1969, through July 3, 1970, they totaled 371 million bushels, as against 260 million bushels for the same period of 1968-69. Though current-season exports are already 111 million bushels higher than for the comparable period of 1968-69, it appeared as of mid-July that the total for the complete season will be about 130 million bushels above the 1968-69 volume of 287 million.



*A tulip field in Holland. Flower marketing was the subject of many of the papers at the conference.*

## World Horticulture Conference in Israel

By MICHAEL E. KURTZIG

*Foreign Regional Analysis Division, ERS*

Every 4 years hundreds of scientists from all over the world gather somewhere to discuss new ideas in horticulture. The 18th such conference was held recently in Tel Aviv, Israel, with over 1,000 delegates from approximately 60 countries; 180 of the delegates were from the United States.

Approximately 500 papers were presented at this year's conference. Of special interest to many of the delegates, especially those from exporting countries, was the emphasis on the industry's continued efforts to improve product quality, marketing, and distribution.

Problems of harvesting horticultural products were the topics of many of the papers. For example, picking a crop by hand as it ripens will be prohibitively expensive within a generation because of increasing labor shortages and costs. Thus, the scientists discussed the possibility of developing plants on which all the fruit would ripen at the same time and so could be harvested by machine in a day or so. In this vein also, they discussed the relation of apple bruising to tree size. The development of maximum-intensity orchards was suggested; that is, orchards that can grow fruit without trees. One way is to have apple branches grow to the size of tomato plants, each producing 8-10 apples. Not only could these apples be harvested all at once by a machine, but also none would be growing inside the tree where they would fail to develop rich, easily marketable color.

A session was held on single-harvest mechanization as a way to speed up the harvesting of vegetables: mechanical sizing of sweetpotatoes, mechanical picking aids for vegetables, and chemical acceleration of the ripening of field-grown tomatoes were all suggested.

In the marketing sessions, structural changes in the U.S. market for flowers—for example, mechanization on flower farms in relation to saving labor costs and controlling diseases—were discussed as well as the development and the current status of market grades and standards of flower crops in the United States. New ideas in the export of vegetables from developing countries were also presented. Papers on trends in citrus orchard planning and management and in citrus consumption and marketing were of particular interest to the United States and the other citrus-producing countries.

In relation to postharvest metabolism and storage, the conference heard a paper on extending the storage life of mushrooms with carbon monoxide and also a paper on preserving

strawberries with carbon dioxide and precooling.

The conference also dealt with the problems of seeds and the origins of plants. A Frenchman discussed the possibilities of producing applesauce directly from dividing cells grown with tissue-culture techniques. (His experiment, however, produced sauce which did not taste like that from apples.)

Plant species throughout the world whose very existence is threatened by pollution were the subject of another paper. This led into more widespread discussions of the effects of pollution on horticultural products.

A further influence on nonhorticultural sectors on horticulture came out in the discussions on the effects of the computer age on the marketing of horticultural products. Papers were presented on a computerized system for overseas marketing of Israeli flowers, on the modern planning of experimentation and its relation to data processing, and on the use of data processing to improve the significance of experimental results. Also discussed was the use of electron microprobe X-ray analysis in horticulture.

Until this year the International Horticultural Conference has always been held in the United States or in Europe; for the 1970's at least, the trend is to the east. The 1974 conference is scheduled to be held in Poland; the 1978 conference, in Australia.

*Israeli scientist, researching the sex expression of plants, injects radioactive plant hormone into cucumber leaves.*





# Too Many Chickens in the Community's Pot

By WALTER A. STERN

Dairy and Poultry Division, Foreign Agricultural Service

The big three of the European Community's broiler industry—the Netherlands, West Germany, and France—have greatly increased broiler production in the past year and a half, and the increase is continuing. During the same period domestic Community consumption and export markets have not expanded substantially to absorb the larger production. The result will probably be lower poultry prices within the Community in the fall of 1970 and possibly troublesome mounting surpluses.

## Production jump, consumption saunter

In the Netherlands broiler production in 1969 was 13 percent greater than in 1968. Estimates are that broiler production leaped another 15 percent to 18 percent in the first half of 1970 compared with production in the first half of 1969. Indications for the second half of 1970 are for an even greater production acceleration as placements of broiler chicks are running 22 percent to 25 percent greater than for the same period last year.

At the same time per capita consumption showed little change. However, less than 28 percent of the Netherlands total broiler production was consumed domestically in 1969; most of the remainder was exported to other EC countries—especially Germany.

In West Germany broiler production rose 15 percent in 1969 in comparison with the previous year and continued to expand at an even greater rate (18 percent or more) in the spring of 1970. The trend toward production speedup is expected to be maintained in the summer and fall of 1970.

During 1969, German consumption of poultry meat rose only about 3 percent, and increases during 1970 have probably not been great. Expanded German broiler production must not only face a slowly growing domestic market but competition from large imports of poultry meats from the Netherlands.

Although broiler production in France in 1969 was only about 6 percent greater than that in 1968, during December of 1969 and January of 1970 there was an increase of 17 percent in the production of broiler chicks compared with the same period a year earlier.

No official figures are available on French consumption of poultry meat, but it is estimated that per capita use has

increased slightly as prices for other meats have risen more rapidly than those for poultry.

## Lid on exports

Even with the EC policy of subsidization, only limited opportunity exists for EC countries to develop additional markets for their excess broiler production outside the Community. Competition in major non-EC markets—such as Hong Kong, Japan, Switzerland, Austria, and Greece—has been very keen during the past few years, partly because of EC policies. EC poultry import levies have denied Community countries—including West Germany, the world's largest poultry meat import market—as markets for such major poultry producers as the United States and Denmark, who have had to seek markets elsewhere.

To meet EC-subsidized competition and East European state trading prices, Denmark subsidizes exports of poultry to many areas of the world, including the Middle East and the Far East. To regain a fair market share lost to subsidized competition, the United States through its limited export subsidy program for whole chickens has increased its share of both the Greek and the Swiss poultry markets and is successfully meeting competition in these two markets from EC poultry sellers. (The United States, of course, would prefer that all subsidization cease and that world trade in poultry meat take place in a free market based on production efficiency.)

East European countries, such as Hungary and Bulgaria, have begun to increase their shares of Asian poultry meat markets. Using state trading arrangements, East European countries meet the competition from other supplying countries.

## The future and prices

The rapid increase of broiler raising in the three chief EC producing countries would have already seriously affected Common Market poultry prices in 1970 if Russia, Czechoslovakia, and Poland had not made extensive purchases of EC poultry meat early this year. Together, these East European countries have bought approximately 60 million pounds. Although reports exist of possible further sales in 1970—especially to Russia—confirmation is not available. If EC countries do sell further substantial amounts of poultry meat to East Europe, such sales will have a stabilizing effect and provide a prop for internal EC poultry prices.

But East European countries cannot be considered a steady market for EC poultry—or even a lucrative one. According

EUROPEAN COMMUNITY (EC) BROILER PRODUCTION, 1960 THROUGH 1970<sup>1</sup>

Country	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970 <sup>2</sup>
	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons
Germany .....	17	22	22	30	48	55	79	102	107	123	145
Netherlands .....	30	38	45	60	89	113	142	166	178	201	241
Italy <sup>3</sup> .....	130	149	170	197	214	258	271	270	351	368	386
France .....	193	205	216	248	280	302	320	328	336	356	400
Belgium-Luxembourg .....	49	52	63	65	67	75	73	81	67	66	67
Total EC .....	419	466	516	600	698	803	885	947	1,039	1,114	1,239

<sup>1</sup> On ready-to-cook basis. <sup>2</sup> Estimated. <sup>3</sup> Discontinuous statistical series.



to trade reports, Russia has been purchasing frozen EC poultry meat at about 25 cents per pound c.i.f. at the Russian border—a rather meager price. Furthermore the 60 million pounds of poultry meat so far purchased by Eastern European countries has cost the Common Market agricultural fund (FEOGA) nearly \$4.5 million at 7.4 cents per pound—the

subsidy currently being paid for broiler exports to non-EC countries.

If further large sales to East European countries do not materialize in 1970, EC poultry meat prices will slump seriously this fall. The German broiler industry especially would experience financial hardship and critical surpluses.

## European Community Enlargement Negotiations Get Underway

Formal negotiations for enlargement of the European Community (EC) are now underway following a preliminary meeting at the end of June at the foreign minister level. The first formal negotiating session July 21 was between the EC and the United Kingdom. Following that, the applications of Ireland, Denmark, and Norway will be taken up in that order on September 21 and 22.

At the high-level preparatory meeting, all the participants noted the decisive importance of these negotiations for Europe's future prosperity and the EC's ability to play an influential role in world affairs. At the same time, there was a recognition that major problems will have to be solved in the course of the negotiations.

The EC's approach to the negotiations was defined by Belgium's Foreign Minister Harmel, who is currently president of the Council. He emphasized that the applicants must accept the treaties and decisions already taken and that any necessary adjustments will have to be made by means of transitional arrangements. He said the enlarged Community should be prepared to continue and expand its policy of association with African states and that association agreements with nonapplicant EFTA countries—Austria, Portugal, Sweden, and Switzerland—should be concluded at the same time as the accession treaty.

Major interest, of course, focused on the remarks of Anthony Barber, chief negotiator for the United Kingdom, whose application is central to the total negotiation. Expressing the belief that with good will the negotiations can succeed, he stressed the "compelling" reasons for a unified Europe. Such a Europe, he said, can work more effectively to promote East-West relations, to promote the growth of international trade, and to make a larger contribution toward solving the problems of less developed countries. However, he said, Europe must take "full account of the views of its friends and allies in other parts of the world."

Outlining his government's position, he confirmed that Britain accepts the treaties establishing the three European communities and the decisions which have flowed from them subject to the solution of "certain very difficult problems," including problems of agricultural policy and budget.

The British spokesman laid particular stress on the budgetary aspects for Britain of joining the EC, terming it "one of the crucial elements in the negotiation on which we are embarking." Unless a fair and sound solution to this problem is found, he said, "the burden of the United Kingdom could not be sustained and no British government could contemplate joining."

Barber concluded by expressing the hope that the negotiations can be short and can be confined to essentials. He said that the problems which the Community has been discussing in preparation for the negotiations are very much the same as Britain's problems. The wish of the British Government, he said, is to look together for solutions in the spirit of the

Community; "Inspired by good will and united by so many aims and hopes and interests, this time we can succeed."

Of the other initial presentations, those by Ireland and Denmark indicated no major reservations or problems. Denmark, in fact, indicated it would need no transition period, since its balance of payments difficulties would be substantially reduced if the common agricultural policy were to take effect immediately. Norway, on the other hand, cited substantial problems in joining the Community, particularly relating to agriculture, fisheries, and the free movement of capital. Norwegian agriculture, it was pointed out, operates under certain competitive handicaps, and special arrangements of a permanent character will have to be made to assure adequate income for Norwegian farmers.

—Based on dispatches from ERNEST KOENIG  
*U.S. Agricultural Attaché, USEC, Brussels*

## France Begins To Crush Soybeans

The first soybean crushing plant in France began operations in February in the town of Saint-Nazaire, located about 270 miles southwest of Paris, in Brittany.

The United States is supplying practically all of the soybeans for the plant, which now has a daily capacity of 1,200 metric tons (44,000 bushels); and the director believes that its capacity can be increased to between 1,400 and 1,500 tons. Currently the plant is crushing between 900 and 1,000 tons daily and has storage capacity for 6,000 tons of oil and 2,700 tons of meal. The plant has an annual production goal of 300,000 tons of meal and 50,000-60,000 tons of oil.

The Saint-Nazaire plant was constructed by Sojafrance—a combination of the two organizations Eurosoya and Indusoja—at a cost of equivalent to approximately US\$8 million. Financial assistance of US\$1 million was reportedly provided by the French Government for the construction of the plant. Eurosoya and Indusoja each originally intended to build a soybean-crushing plant at Saint-Nazaire, but combined operations allowed construction of a larger, more efficient plant.

Most of the plant's equipment is of German origin, but some American Dutch equipment has also been installed. Perhaps the plant's most exotic feature is its soybean storage facilities—two submarine pens built by the German military forces in World War II in the Saint-Nazaire harbor.

The plant's officials plan to sell the entire production of meal and oil within France. The plant is located in an area where more than half of French soybean meal is consumed. French pork and poultry production is centered in Brittany and will be the major outlet for the meal produced.

The soybean oil will be sold, at least in the beginning, as crude oil to the large French oil distributors. They in turn will refine the oil, blend it with rapeseed oil, and market the mixture as table oil.

—By FRANK A. PADOVANO  
*Assistant U.S. Agricultural Attaché, Paris*

# Taiwan's Sales of Canned Pineapple Soar

Pineapple production in Taiwan is centered in the rolling foothills of the south. Taichung, the most important area, produces 38 percent of the country's pineapples; the east coast area follows with 26 percent; and the Kaohsiung area produces 16 percent. Production in the east coast area has been increasing rapidly and within a few years should approach that of Taichung.

Acreage is predominantly small plots averaging about 2½ acres. The acreage of large cannery-owned plantations now grows about 15 percent of production for canning, and plantations are increasing in size.

Yields for both smallholder and plantation pineapple have increased substantially in recent years, partly because of increasing fertilizer use and better pest control. Some producers are increasing density of plantings—16,000 plants per acre is not uncommon. Smooth Cayenne is the variety most extensively grown in Taiwan.

## Harvesting and marketing

Two crops are usually harvested from each planting. Planting is typically done during August and September, with harvests approximately 24 months and 36 months later. Some farmers still cling to the old practice of harvesting three times, but yields from a third harvest are generally low.

Approximately 50 percent of the crop is packed in the summer, 24 percent in the spring, and 26 percent in the winter. Government planners would like to see the packing spread more equally throughout the year. In an attempt to do this, plants are often treated with calcium carbide or sodium naphthalene acetic acid, both of which affect the time at which the pineapples mature.

## Exports

Canned pineapple production for export is regulated jointly by government and industry. Annual government-industry meetings establish an industrywide production target for export and individual production quotas by cannery. Plantation production in eastern Taiwan is reserved for owner canneries. Other pineapple production in eastern Taiwan is allotted by agreement. Western Taiwan pineapple not covered by agreement is purchased by the Cannery Association and distributed according to cannery production ability, export records, and results of previous-year export inspections. Minimum grower prices are established by the government.

Production of export-grade canned pineapple has increased substantially in recent years. Statistics indicate a pack increase from 1.9 million cases equivalent 24/2½'s in 1960 to a high of 4.4 million cases in 1969.

The United States is Taiwan's best customer for canned pineapple exports. U.S. purchases from Taiwan increased steadily from 429,000 cases in 1960 to 1.9 million cases in 1968; in 1969 at 1.8 million cases, they still were greater than those from any other foreign supplier. Other important markets for Taiwan's pineapples in 1969—a year of record exports, estimated at 4,056,000 cases, or 7 percent above 1968—were West Germany, the Netherlands, and Belgium-Luxembourg. Taiwan's exports are aimed increasingly at the consumer market. Consumer sizes comprise over 85 percent of total exports and about 80 percent of those to the United States. Whole slices are the most important export item.

## EXPORTS OF CANNED PINEAPPLE

Calendar year	Exportable production	Exports <sup>1</sup>		
		To United States	Other	Total
	1,000 cases <sup>2</sup>	1,000 cases <sup>2</sup>	1,000 cases <sup>2</sup>	1,000 cases <sup>2</sup>
1960 .....	1,924	429	1,436	1,865
1961 .....	2,424	640	1,967	2,607
1962 .....	2,396	889	1,410	2,299
1963 .....	2,055	996	1,368	2,364
1964 .....	3,664	1,292	621	2,913
1965 .....	3,712	1,523	2,221	3,744
1966 .....	4,265	1,794	2,023	3,817
1967 .....	3,576	1,838	2,067	3,905
1968 .....	3,896	1,878	1,912	3,790
1969 .....	4,434	—	—	—

<sup>1</sup> All exports were not necessarily packed in year exported.

<sup>2</sup> Equivalent 24/2½'s (45 lb.).

## DISTRIBUTION OF TAIWAN'S EXPORTS

Item	1966	1967	1968
CAN SIZE			
United States:	Percent	Percent	Percent
Institutional .....	34	28	20
Consumer .....	66	72	80
All exports:			
Institutional .....	19	16	13
Consumer .....	81	84	87
STYLE			
United States:			
Whole Slices .....	50	53	53
Crushed .....	24	26	32
Other .....	26	21	15
All exports:			
Whole slices .....	48	48	50
Crushed .....	14	13	19
Other .....	38	39	31

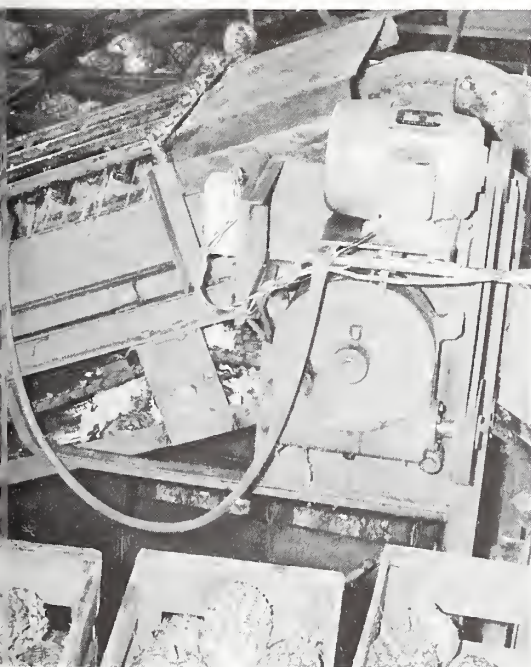
—Based on dispatches from NORMAN J. PETTIPAW  
U.S. Agricultural Attaché, Taipei, Taiwan







*Above, left, modern canning process is done by machine; above, right, pineapples being cut and scraped before canning.*



*Above, pineapple picking on a plantation; right and left, fruit being prepared for canning; below, pineapple waiting to be canned.*





# Mexico's 1969 Farm Output Cut by Drought

Mexico's 1969 agricultural production was hard hit by drought and high temperatures, and the continuance of these adverse conditions into 1970 is expected to cause damage to some crops being grown in areas not under irrigation.

The crops most seriously affected in 1969 by drought were cotton, oilseeds, corn, and rice. In the livestock sector cattle slaughter was high because of water and forage shortages, and exports of live animals escalated.

Certain crops, however, did exceptionally well for the year. Sugar production was at a record high as was production of strawberries and most winter vegetables, particularly tomatoes. The wheat crop also was up compared with that of the previous year.

## Farm trade governed by weather

The adverse weather conditions in 1969 exerted a strong influence on Mexican agricultural trade. Export contracts made prior to the onset of the drought proved difficult to fulfill for some commodities. Corn and cotton commitments, while burdensome, were kept. Some bean commitments, however, were not fully met. Mexico, a net exporter of rice in 1968, was forced to import almost 5,000 tons in 1969. Most imports were necessary because of a drop in production in late 1969.

On the other hand, exports of tomatoes, the key component of the winter vegetable crop, were up 15 percent from 240,000 metric tons in 1968 to 277,000 tons in 1969.

## Food crop briefs

**Corn**—Despite the drop in production of corn, Mexico's chief food crop, in 1969-70 to 6.5 million tons (over 2 million tons under the 1968-69 crop), the national food supply agency, CONASUPO (Compañía Nacional de Subsistencias Populares), filled its export commitments during the first half of calendar year 1969. This created a shortage, however, and Mexico imported corn during the last quarter of 1969 and well into 1970.

**Wheat**—Wheat production in 1969 was 2.2 million tons, about 18 percent higher than in the previous year. Wheat is grown chiefly in the northwestern coastal states Sonora and Sinaloa and is 90 percent under irrigation. This, plus the fact that a greater proportion of new high-yielding varieties were planted and properly cared for, was mainly responsible for the increase. However, Mexico's traditional wheat exports will probably not expand. Shortages in other grain crops, requiring the use of wheat as a substitute, will cut into the exportable wheat surplus.

**Rice**—Despite improved cultivation practices in the main rice-growing areas of Sinaloa and Morelos, Mexico's rice production was up only slightly in 1969 because of dry conditions in the north and wet weather in the south. Mexico produced just 245,000 tons of milled rice. As a result of this relatively small output, Mexico changed from a net exporter of rice in 1968 (40,800 tons) to an importer in 1969 (4,900 tons). In view of the continuing drought and reported cutbacks in plantings, imports are expected to rise in 1970.

**Beans**—Mexican production is scattered widely among many small producers, so bean output can only be loosely estimated. The 1969 production was about 933,000 tons—not enough to meet consumption demands without imports.

## Oilseed situation

**Soybeans**—Production of soybeans in 1969—at 272,000 tons—was up slightly over the previous year but fell short of earlier optimistic forecasts. Acreage for 1970 is estimated as being less than half that of 1969; but hopes are that improved yields will result in an even larger crop.

**Other oilseeds**—Only safflower production was up significantly in 1969. Cottonseed production was down dramatically; sesame on the east coast was badly damaged by rain and floods. Peanut production was up slightly; but because of very high prices, little was sold for crushing.

Total oilseed production in 1969 was 1.5 million tons—below domestic requirements. Imports of considerable amounts of U.S. edible oil were made during the first half of 1970 and may be repeated in 1971.

## Horticultural crops

Exports of horticultural crops were the highest of record during 1969-70. Tomato exports were 27 percent greater than the previous year. Fresh strawberry exports doubled in the past 2 years and were about 10 times larger than in 1964-65. Frozen strawberry exports were at a record high in 1969. Exports of other important horticultural crops such as cucumbers, eggplant, and peppers also were record high in 1969-70.

## Commercial crops

**Cotton**—Mexico's cotton production declined by nearly 30 percent as compared with the near record crop of 1968-69. Total production in 1969 was 1.8 million bales. In addition to the drought and heat in the north and flooding in the south, such other factors as insect damage, the cost-price squeeze, lack of sources for financing, and high taxes all contributed to this decline. The chief factor, however, was the drop in cotton acreage—from 1.7 million acres in 1968 to 1.3 million acres in 1969.

**Tobacco**—Tobacco production stabilized in 1969 at 61,000 tons while stocks were 20 percent higher, reflecting a buildup by tobacco companies to the 18-month supply normally kept on hand. Reflecting an anticipated growth in demand, pro-

*Harvesting a yield test of sorghum at La Piedad Cabadas, in Mexico's State of Michoacán.*





duction of light tobaccos used in American blends was up moderately; production of dark and flue-cured tobaccos was cut back. Exports of Mexican burley were up sharply in 1969 to 6,000 tons; however, future prospects are uncertain, for the government is reportedly considering increases in producer prices which would price Mexico's burley out of international markets.

**Coffee**—Improved management techniques are expected to result in a record 1969-70 coffee crop now officially estimated at 186,000 tons. This is about 8 percent above last year's production. Export volume is expected to be about 102,000 tons, up 15 percent.

**Sugar**—Production in 1968-69 was the highest ever for Mexico, 2.3 million tons. The National Sugar Union was able some months ago to assert that Mexico would meet its export quota to the United States. In fact, the Union hopes to up its shipments to the United States if other sugar-producing countries fail to meet their quotas.

#### **Livestock and meat**

The lack of adequate rains in 1969 in the meat-producing States of Mexico's north central region resulted in heavy slaughter to avoid livestock losses. Exports of boneless beef were 7 percent higher than in 1968—77.1 million pounds (including meat in bond in 1969 but not entered in the

United States until 1970). Live cattle exports from Mexico in 1969 increased 18 percent to 840,000 head.

#### **Outlook for 1970**

The outlook for Mexican agriculture in 1970 continues to be dominated by adverse weather conditions affecting much of the country. The severe heat and dry period has continued into the 1970 summer months and the forecast indicates a shortage of rain for much of the year.

The continuing drought has caused pasture and water shortages in all major livestock producing areas. Cattlemen will probably reduce their herds further. This would mean substantial increases in exports of both meat and live cattle. Mexican exports of boneless beef to the United States could reach 85 million pounds (including beef in bond) in 1970.

Output of all major grains and oilseeds except for wheat and sorghum (which are grown mainly in irrigated areas and in those having adequate rainfall) are expected to be down. Mexico may import sizable quantities of corn, rice, beans, and oilseeds.

On the other hand, winter vegetable exports, particularly tomatoes (grown mainly in irrigated areas), will be substantially higher in 1970.

—Based on a dispatch from WILLIAM L. RODMAN  
*U.S. Agricultural Attaché, Mexico City*

## **El Salvador Saw Wheat-Purchase Record Set in 1969-70**

El Salvador saw records established in wheat purchases and feedgrain production during 1969-70. The 62,400 tons of wheat imported during July 1969-June 1970 was a new high for this non-wheat-producing country. Corn and sorghum production was at an alltime high, probably because of high yields associated with good weather.

Salvadoran farmers cut back on rice production, on the other hand, because of low prices being offered. El Salvador's nearby neighbors, who are that country's traditional customers, have increased their rice production, thereby cutting down on their own imports.

**Wheat**—Despite the strong import market this year, the United States, which provided the entire 1968-69 tonnage, was forced to share the 1969-70 trade with New Zealand and Argentina. Together New Zealand and Argentina supplied El Salvador with 12,607 tons of the total, thus reducing the U.S. share by 12,000 tons to about 50,000 tons.

Prospects are for a continuing slow increase in wheat imports, but American wheat producers may have some difficulty regaining their lost share of the market. A recent increase in U.S. west coast freight rates from \$6 per ton to \$9 a ton (or more) will hike the overall price of wheat shipped out of U.S. Pacific coast ports. Salvadoran importers are negotiating for the use of cargo ships that carry bauxite from Jamaica to Vancouver. These return to Jamaica empty, and the wheat importers want them loaded with Canadian wheat on the return trip south. If these negotiations are successful, they may have a dampening effect on U.S. wheat sales to El Salvador.

**Corn**—The relative abundance of local corn has led to a considerable cutback in imports, and it is estimated that in the year ending July 1970 only 2,000 tons will have been brought in. Some 3,000 tons may be exported this year, mostly in the last few months of 1970.

The Salvadoran Ministry of Agriculture recently revised downward its estimate of 1969-70 corn production from a high of 296,000 tons forecast last December to 281,000 tons. This still leaves the past season's total crop and yield as all-time highs. The higher yields are explainable by generally excellent weather conditions and a small increase in plantings of higher yielding varieties.

Because of late or intermittent rainfall, planting was delayed in the lowland areas and in the eastern areas of the country.

**Sorghum**—Very little trade takes place in sorghum; in 1969-70 and 1970-71 probably only nominal amounts will move.

In contrast to the Ministry of Agriculture's action regarding corn, it revised upward its estimate of 1969-70 sorghum production from 100,000 tons to 128,000 tons. For 1970-71, a preliminary production estimate of 123,000 tons was given.

**Rice**—El Salvador has ample stocks of rice on hand and imported practically none last year. Exports fell off measurably from 19,000 tons of milled rice in 1968-69 to an estimated 3,000 tons in 1969-70, mostly because of the Honduran conflict and abundant supplies in other nearby countries, which have also been developing their own rice production. An important factor in the export drop was the high percentage of broken grains in the rice El Salvador offered for sale as well as relatively high asking prices. No significant change is expected in either the export or import picture for 1970-71.

Rice plantings in 1970-71 are down because farmers are discouraged by prices which remained below those of a year ago. However, a recent sale of 3 million pounds to Guatemala may encourage more planting.

—Based on a dispatch from STANLEY W. PHILLIPS  
*U.S. Agricultural Attaché, San Salvador*

# Soybeans, the "Miracle Crop," Featured in Exhibit at Iran Fair

*U.S. Ambassador Douglas MacArthur II, right, and Enoch Lachinian, ASA Director in Iran, discuss the U.S. soybean exhibit at the Tehran Fair.*



The soybean, billed as the "Miracle Crop of the Twentieth Century," was the feature attraction of a solo exhibit staged by the American Soybean Association (ASA) and USDA at a trade fair held in Tehran, Iran, May 16-21.

The exhibit illustrated the wide variety of ways in which the soybean can be used, through instructive illustrations and an array of products ranging from poultry feed to soy cooking oil.

Iran, whose imports of U.S. soybeans are expected to increase with the installation of crushing facilities, presently has a chronic shortage of both vegetable oil and protein meal. In fact, a drive is underway to raise the protein consumption of thousands whose diet is protein deficient.

Speaking at the Fair, Dr. C. S. Stephanides, U.S. Agricultural Attaché in Iran, said that soybean use is a way of solving both animal and human protein problems. He pointed to the soybeans as a source of high-quality, low-cost protein which is available in large quantities for world-wide food needs.

## U.S. Beef Popular In Tokyo's Ginza

U.S. quality beef recently arrived in the heart of Tokyo's world-famous business area, the Ginza, as the featured fare in a restaurant promotion staged by the Cardinal Food Co., Ltd., in cooperation with USDA.

Two promotional efforts took place in Cardinal-operated outlets in the Sony Building, located on one of the Ginza's busiest corners.

Initially, the Cardinal Snack Shop, which is on the street floor and caters to some 4,500 customers a day, featured a hot roast beef sandwich from April 20 to May 20. This proved so popular that the period was extended for an additional 10 days. In addition, Cardinal's Belvedere Restaurant, located on the top floor of the same building, started a month-long promotion of hot roast beef on May 21, and this also proved a favorite with their 1,100 daily diners.

This promotion followed on the heels of the successful American Frozen and Convenience Foods Exhibit and Seminar held at the U.S. Trade Center in Tokyo in April, where much interest was shown in the displays and demonstrations of frozen beef.

## Japanese Visit U.S. Swine Industry

An eight-man Japanese swine-study team composed of leading representatives of the Japanese swine industry recently spent 15 days on an inspection tour of the U.S. swine industry. Their itinerary included visits to Hampshire, Duroc, and Yorkshire breeders in Virginia, Illinois, Indiana, and Iowa; the Virginia Swine Evaluation Station; Purdue University; Iowa State University

and swine test station; a major packing company; and a supermarket.

Japan is currently in the process of expanding its swine herds and plans to import at least 1,000 head during the coming year. The U.S. tour gave the Japanese visitors a first-hand look at the U.S. industry and a chance to participate in the selection of hogs which will be purchased by Japanese breeders.

*Japanese at a Duroc breeding farm in Virginia.*





# CROPS AND MARKETS SHORTS

## Weekly Rotterdam Grain Price Report

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	July 15	Change from previous week	A year ago
	<i>Dol. per bu.</i>	<i>Cents per bu.</i>	<i>Dol. per bu.</i>
Wheat:			
Canadian No. 2 Manitoba .....	1.95	—3	1.92
USSR SKS-14 .....	( <sup>1</sup> )	( <sup>1</sup> )	1.84
Australian Prime Hard .....	( <sup>1</sup> )	( <sup>1</sup> )	1.87
U.S. No. 2 Dark Northern			
Spring:			
14 percent .....	1.89	—2	1.91
15 percent .....	1.95	—1	1.92
U.S. No. 2 Hard Winter:			
13.5 percent .....	1.79	+1	1.89
Argentine .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
U.S. No. 2 Soft Red Winter ...	1.69	+4	1.70
Feedgrains:			
U.S. No. 3 Yellow corn .....	1.69	+1	1.47
Argentine Plate corn .....	1.77	+3	1.65
U.S. No. 2 sorghum .....	1.45	+2	1.28
Argentine-Granifero .....	1.50	+5	1.29
Soybeans:			
U.S. No. 2 Yellow .....	3.34	+5	2.84

<sup>1</sup> Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

## Italian Imports of U.S. Tobacco Up

Italy imported 38.8 million pounds of unmanufactured tobacco in 1969, nearly 3 times the 1968 level of 13.5 million pounds and the highest imports since 1964, when 50.1 million pounds were imported. The United States was the major supplier, shipping 16.4 million pounds compared with 6.5 million pounds in 1968. Other major suppliers included Switzerland, 7.6 million pounds; Turkey, 5.9 million pounds; and Bulgaria, 2.8 million pounds.

Italian imports of U.S. tobacco in 1969 were unusually high partly because of low stocks of burley and flue-cured tobacco and a strong demand for cigarettes containing high-quality American tobacco. Current trends in Italian consumption are favoring foreign brand cigarettes, especially those of the American-blend type produced in Italy under license.

Italy is also an important tobacco-producing member of the European Community (EC). It currently accounts for nearly three-fifths of total EC unmanufactured tobacco production. About one-third of Italy's total production is burley, followed by oriental, dark air-cured, flue-cured, and fire-cured.

With final adoption of the Common Agricultural Policy in the EC, a number of structural changes in the overall tobacco industry are anticipated. Among the major changes will be price support to the growers, premiums to buyers and manufacturers using domestic tobacco, and possibly production controls. With an expanded market potential for Italian vari-

eties because of preferential treatment within the Community, some expansion in domestic production is anticipated. These changes appear to favor an increased production of flue-cured and burley. With this situation developing, U.S. burley and flue-cured exports to the Community may be faced with increasing competition from local production.

## U.S. Exports of Soybeans, Oils, Meals

U.S. exports of *soybeans* in May—at 36.4 million bushels—declined 4.8 million bushels from last month's unusually high total, although they surpassed May 1969 exports by 53 percent or 12.6 million bushels and set a new record for soybeans exported in May. The September-May total of 336.5 million bushels exceeded exports through May of last year by 94.1 million and the total for the past marketing year by nearly 50 million bushels. The major share of the increase went to the European Community and Japan; but shipments to Spain, Denmark, the United Kingdom, and the Republic of China also rose. Most of the 15-million-bushel increase to Canada undoubtedly was transshipped to Western Europe and Japan.

*Soybean oil* exports totaled 92.4 million pounds, an increase of 10.5 million from last month's total and of 36.4 million from May 1969 exports. Shipments to India under Public Law 480 programs and commercial sales to Iran accounted for over two-thirds of the May total. Cumulative exports through May reached 747.8 million pounds, compared with 536.0 million exported in October-May last year. While the increase of 211.8 million pounds resulted mainly from a gain in commercial sales—now estimated at 267.1 million pounds, compared with 79.8 million a year earlier—shipments under P.L. 480 programs also increased an estimated 24.5 million pounds over last year's exports of program oil.

*Cottonseed oil* exports reached 62.1 million pounds, the highest monthly total since March 1965 when 66 million pounds were exported, including oil shipped under government programs. Current exports, however, represent large sales of oil by the Commodity Credit Corporation and private sales for dollars with the exception of 1.1 million pounds for donations by voluntary agencies. October-May exports now stand at 391.5 million pounds, nearly 4 times the quantity shipped in the same months a year ago. Exports to Europe, principally the European Community and the United Kingdom, increased to 164.1 million pounds or 42 percent of total exports. Larger quantities were also taken by the United Arab Republic, Iran, Pakistan, and Morocco. These countries formerly purchased cottonseed oil under P.L. 480 programs.

*Soybean meal* exports, at 304,900 tons, exceeded May 1969 exports by 95,800 tons and brought the 8-month total to 2.73 million tons—up 37 percent or 743,500 tons from exports in the same months last year. The 1.83 million tons shipped to the European Community represented 67 percent of the total and an increase of 59 percent over 1969 exports. Larger quantities were also shipped to other European countries

(Eastern and Western), Canada, Japan, and the Philippines. Increased exports of linseed meal and slightly larger exports

#### U.S. EXPORTS OF SOYBEANS, OILS, AND MEALS

Item and country of destination	Unit	May		Sept.-May	
		1969 <sup>1</sup>	1970 <sup>1</sup>	1968- 69 <sup>1</sup>	1969- 70 <sup>1</sup>
SOYBEANS					
Belgium-					
Luxembourg .....	Mil. bu.	0	0.6	9.0	15.2
France .....	do.	0	.5	.2	3.4
Germany, West .....	do.	1.7	2.0	28.6	29.8
Italy .....	do.	.3	3.9	15.2	24.6
Netherlands .....	do.	1.8	4.1	33.0	48.7
Total EC .....	do.	3.7	11.1	86.0	121.8
Japan .....	do.	7.5	7.9	55.6	73.3
Canada .....	do.	8.4	9.9	31.0	46.0
Spain .....	do.	1.6	1.6	25.4	30.9
China, Taiwan .....	do.	.7	2.2	14.9	16.4
Denmark .....	do.	1.0	1.0	11.8	14.2
United Kingdom .....	do.	.3	.1	4.0	7.2
Israel .....	do.	0	0	4.6	7.2
Others .....	do.	.5	2.6	9.1	19.5
Total .....	do.	23.8	36.4	242.4	336.5
Oil equivalent .....	Mil. lb.	261.3	399.7	2,661.3	3,694.3
Meal equivalent .....	1,000 tons	559.3	855.4	5,695.8	7,906.7
		May		Oct.-May	
		1969 <sup>1</sup>	1970 <sup>1</sup>	1968- 69 <sup>1</sup>	1969- 70 <sup>1</sup>
EDIBLE OILS					
Soybean <sup>2</sup>					
Pakistan .....	Mil. lb.	0	( <sup>3</sup> )	89.6	201.9
India .....	do.	4.6	34.5	182.4	121.3
Tunisia .....	do.	11.5	.1	36.3	63.8
Iran .....	do.	0	27.3	30.2	78.7
Peru .....	do.	1.4	.2	9.3	24.9
Israel .....	do.	2.4	0	15.8	18.3
Canada .....	do.	3.3	5.3	18.6	27.7
Chile .....	do.	3.0	.2	17.3	15.7
Morocco .....	do.	0	.1	24.6	21.2
Haiti .....	do.	1.3	1.3	13.1	13.4
Dominican					
Republic .....	do.	.6	.8	8.6	10.8
Mauritius .....	do.	0	4.4	0	13.1
Mexico .....	do.	( <sup>3</sup> )	1.9	.1	12.5
Colombia .....	do.	1.8	2.3	5.4	11.1
Others .....	do.	26.1	14.0	84.7	113.4
Total .....	do.	56.0	92.4	536.0	747.8
Cottonseed <sup>2</sup>					
Belgium-					
Luxembourg ...	do.	0	0	( <sup>3</sup> )	5.6
France .....	do.	( <sup>3</sup> )	0	( <sup>3</sup> )	( <sup>3</sup> )
Germany, West ...	do.	0	13.2	15.3	33.7
Italy .....	do.	( <sup>3</sup> )	0	( <sup>3</sup> )	( <sup>3</sup> )
Netherlands .....	do.	0	7.4	10.0	33.9
Total EC .....	do.	( <sup>3</sup> )	20.6	25.4	73.2
United Kingdom	do.	0	0	( <sup>3</sup> )	70.1
U.A.R. ....	do.	0	19.8	8.3	58.0
Iran .....	do.	0	0	0	37.7
Venezuela .....	do.	10.4	2.9	47.4	38.4
Mexico .....	do.	0	5.4	( <sup>3</sup> )	31.8
Pakistan .....	do.	0	0	0	17.8
Canada .....	do.	2.2	2.3	11.7	20.8
Sweden .....	do.	0	4.1	4.3	11.9
Morocco .....	do.	0	0	0	7.7
Dominican					
Republic .....	do.	0	( <sup>3</sup> )	( <sup>3</sup> )	6.4
Others .....	do.	.2	7.0	2.4	21.3
Total .....	do.	12.8	62.1	99.5	395.1
Total oils .....	do.	68.8	154.5	635.6	1,142.9

Item and country of destination	Unit	May		Oct.-May	
		1969 <sup>1</sup>	1970 <sup>1</sup>	1968- 69 <sup>1</sup>	1969- 70 <sup>1</sup>
CAKES AND MEALS					
Soybean:	1,000 tons				
Belgium-					
Luxembourg ...	do.	10.4	10.2	132.7	134.4
France .....	do.	21.6	47.5	308.7	414.9
Germany, West ...	do.	52.6	60.0	423.6	648.8
Italy .....	do.	33.3	33.0	179.1	225.8
Netherlands .....	do.	26.7	46.1	341.6	409.2
Total EC .....	do.	144.7	196.8	1,385.7	1,833.1
Canada .....	do.	20.0	27.9	167.1	181.4
Hungary .....	do.	0	11.8	0	109.2
Poland .....	do.	11.7	0	64.6	84.6
Yugoslavia .....	do.	10.2	10.4	99.4	114.7
Switzerland .....	do.	.4	18.9	35.8	70.5
Ireland .....	do.	3.3	0	21.8	30.8
Bulgaria .....	do.	0	9.5	9.6	30.4
Denmark .....	do.	.3	0	17.7	29.0
Japan .....	do.	0	14.0	19.7	52.2
Philippines .....	do.	7.9	2.5	25.8	28.5
United Kingdom	do.	( <sup>4</sup> )	3.9	19.3	29.4
Spain .....	do.	0	0	31.6	34.1
Others .....	do.	10.7	9.2	90.3	104.0
Total .....	do.	209.1	304.9	1,988.4	2,731.9
Cottonseed .....	do.	.1	.1	2.2	5.3
Linseed .....	do.	7.9	7.1	40.5	54.3
Total cakes and meals <sup>5</sup>	do.	222.0	320.0	2,074.9	2,823.3

<sup>1</sup> Preliminary. <sup>2</sup> Includes shipments under P.L. 480 as reported by Census. <sup>3</sup> Less than 50,000 lb. <sup>4</sup> Less than 50 tons. <sup>5</sup> Includes peanut cake and meal and small quantities of other cakes and meals.

Computed from rounded numbers. Bureau of the Census.

of cottonseed meal boosted total exports of cakes and meals to 2.82 million tons compared with 2.07 million tons a year ago.

## Livestock Trade Down in May

In May, U.S. exports and imports of all livestock items (live animals, meat, and byproducts) were both below 1969 levels in value. The value of exports, at \$49.5 million, was down about 15 percent while the value of imports, at \$93.1 million, was down more than 5 percent.

Exports of livestock, meat, and byproducts for May were below the year-earlier level in nearly every category, except beef and veal, variety meats, sheep and lamb skins, and horse hides.

Beef and veal exports in May totaled 2.8 million pounds—up nearly 14 percent from May 1969. Their total for the first 5 months of 1970, at 12.1 million pounds, was around 8 percent larger than that of last year. Canada is the largest market, accounting for about one-fourth of U.S. beef and veal exports in the first 5 months in 1970.

Variety meat exports in May totaled 22.4 million pounds—up 4 percent from the same month in 1969. Variety meats have traditionally been the third largest meat export item of the United States, both in quantity and in value. Last year these exports set a new record at 240 million pounds. Despite the fact that the U.S. exports of this category for the first 5 months of 1970—at 88.9 million pounds—were running slightly above the 87.6 million pounds of last year, exports



# U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	May		January-May	
	1969	1970	1969	1970
Red meats:	1,000	1,000	1,000	1,000
Beef and veal:	pounds	pounds	pounds	pounds
Fresh, chilled, or frozen:				
Bone-in beef .....	1,038	2,104	7,327	11,992
Boneless beef .....	71,161	55,250	359,117	441,585
Cuts (prepared) ...	107	1,362	755	4,015
Veal .....	2,315	2,174	11,979	10,480
Canned beef:				
Corned .....	7,347	4,187	33,801	36,698
Other, including sausage .....	1,901	2,716	6,554	11,315
Prepared and preserved .....	3,291	4,423	21,416	24,793
Total beef and veal <sup>1</sup> .....	87,159	72,216	440,950	540,875
Pork:				
Fresh, chilled, and frozen .....	5,123	5,115	20,344	23,259
Canned:				
Hams and shoulders .....	23,573	20,146	100,805	106,213
Other .....	3,102	3,372	11,658	14,016
Cured:				
Hams and shoulders .....	204	35	553	574
Other .....	278	326	1,332	1,736
Sausage .....	494	222	1,314	1,420
Total pork <sup>1</sup> .....	32,774	29,217	136,004	147,218
Mutton and goat .....	5,979	2,453	20,495	23,822
Lamb .....	3,330	3,206	16,358	18,524
Other sausage .....	985	797	3,482	4,595
Other meats .....	1,117	1,200	5,043	8,121
Total red meats <sup>1</sup> .....	131,343	109,090	622,337	743,153
Variety meats .....	445	747	1,722	3,939
Edible and inedible tallow and grease .....	2,493	733	6,483	2,979
Meat extract .....	50	138	466	406
Wool (clean basis):				
Dutiable .....	9,588	7,049	44,622	43,080
Duty-free .....	9,659	4,259	36,607	27,224
Total wool <sup>1</sup> .....	19,248	11,306	81,228	70,303
Animal hair .....	524	347	3,343	1,290
Hides and skins:				
Cattle parts .....	44	441	50	622
Sheep skins, pickled and split .....	852	932	4,277	5,396
	1,000	1,000	1,000	1,000
	pieces	pieces	pieces	pieces
Cattle .....	29	76	116	162
Calf and kip .....	40	41	258	238
Buffalo .....	35	28	198	97
Sheep and lamb .....	4,105	2,450	12,349	9,917
Goat and kid .....	472	316	2,168	2,433
Horse .....	22	15	101	76
Pig .....	71	49	308	457
	Number	Number	Number	Number
Livestock:				
Cattle <sup>2</sup> .....	80,758	162,670	442,348	577,020
Sheep .....	17	279	1,607	1,748
Hogs .....	1,035	6,585	3,671	19,017
Horses, asses, mules, and burros .....	283	294	1,365	1,178

<sup>1</sup> May not add due to rounding. <sup>2</sup> Includes cattle for breeding.  
U.S. Department of Commerce, Bureau of the Census.

# U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	May		January-May	
	1969	1970	1969	1970
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Animal fats:				
Lard .....	39,482	29,856	105,007	142,674
Tallow and greases:				
Inedible .....	202,795	201,879	844,571	902,918
Edible .....	1,974	346	6,518	7,767
Meats:				
Beef and veal .....	2,501	2,842	11,222	12,137
Pork .....	22,269	3,576	71,652	17,811
Lamb and mutton .....	131	82	833	393
Sausages .....	923	268	2,305	1,596
Meat specialties .....	563	379	1,808	1,665
Other canned .....	703	643	4,392	3,374
Total red meats <sup>1</sup> .....	27,093	7,795	92,216	36,976
Variety meats .....	21,549	22,408	87,595	88,933
Sausage casings (animal origin) .....	1,198	1,127	4,670	5,203
Animal hair, including mohair .....	2,741	2,655	7,711	6,842
Hides and skins:				
Cattle parts .....	4,456	1,289	14,211	5,768
	1,000	1,000	1,000	1,000
	pieces	pieces	pieces	pieces
Cattle .....	1,859	1,251	6,072	6,611
Calf .....	138	95	614	423
Kip .....	40	12	198	103
Sheep and lamb .....	356	400	1,517	1,467
Horse .....	5	10	25	64
Goat and kid .....	60	17	168	111
	Number	Number	Number	Number
Livestock:				
Cattle and calves .....	2,611	2,165	15,620	13,733
Sheep, lambs, and goats .....	24,603	11,972	55,960	52,176
Hogs .....	1,943	739	8,908	7,012
Horses, asses, mules, and burros .....	983	872	4,036	33,354

<sup>1</sup> May not add due to rounding.  
U.S. Department of Commerce, Bureau of the Census.

for the remaining 7 months of 1970 will have to exceed the 17.8-million-pound monthly average of the first 5 months if a new record is to be attained.

In the hides and skins export category, only sheep and lamb skins and horse hides showed increases over May 1969. The exports of sheep and lamb skins—at 400,000 pieces—were up more than 12 percent, while those of horse hide—at 10,000 pieces—were double the May 1969 figure.

Pork exports have reverted to their traditional levels. Exports for the first 5 months of 1970 totaled 17.8 million pounds, compared with the 71.7 million pounds of last year—an abnormally high level that was due to greater shipments to Canada and Japan. In 1970, the recuperation of pork production in both countries resulted in lowered U.S. exports.

In the red meat area a number of developments are of interest in the May import story: small boneless beef imports, larger imports of prepared cuts, smaller canned corned beef entries, smaller canned ham and shoulder imports, and reduced arrivals of mutton and goat meat.

Total red meat imports amounted to 109.1 million pounds (product weight) in May 1970, compared with 131.3 million pounds last year. The major factor behind the fall in imports was smaller declared entries for consumption of boneless



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beef from Australia; in May these entries totaled only 18.1 million pounds or about half the May 1969 level.

Imports of prepared cuts in May reached 1.4 million pounds, compared with 100,000 pounds for the same month last year. This category of prepared cuts (TSUS 107.6020) falls outside the Meat Import Law and consists primarily of consumer and proportion cuts.

Canned corned beef imports in May totaled 4.2 million pounds—down 43 percent from the same month in 1969. Reduced imports from Argentina—3.4 million pounds compared with 7.2 million pounds last year—accounted for the difference.

Imports of canned hams and shoulders totaled 20.1 million pounds in May, compared with 23.6 million pounds a year earlier. Smaller imports from Denmark, the Netherlands, and Poland caused the decline.

Imports of fresh, chilled, or frozen mutton and goat meat, as well as those of beef and veal, are subject to the Meat Import Law. In May, imports of fresh, chilled, and frozen mutton and goat meat amounted to 2.5 million pounds—down 59 percent from the year-earlier level. Declared imports from Australia totaled 2.2 million pounds, compared with 6.0 million pounds in 1969, and accounted for most of the decline in mutton and goat meat imports.

Edible and inedible tallow and grease imports at 700,000 pounds were nearly 71 percent lower in May 1970 than in 1969. For the first 5 months of the year, edible and inedible tallow and grease imports totaled only 3.0 million pounds—not quite half their year-earlier level.

Imports of duty-free wool—at 4.3 million pounds—were almost 56 percent lower in May than they were last year.

Live cattle and hog imports were up substantially in May. Live cattle imports—at 162,670 head—were more than double their year-earlier level. The increase is mainly due to larger feeder cattle imports from Mexico. Live hog imports reached 6,585 head in May—more than five times their year-earlier level. Canada is the only supplier of live hogs to the United States.

## Japanese Authorize Pork Imports

The Japanese Ministry of Agriculture and Forestry recently announced a quota authorization of 4,000 long tons of pork imports. This is an emergency measure designed to check the rise in domestic meat prices.

In addition, out of the pork quotas in the last Japanese fiscal year (April-March), 10,000 tons remain unused. These quotas were frozen by the Ministry when the initial pork-quota allocation was found to be too large. In April 1970, however, 2,000 tons of the "frozen" quota were released.

## Mexican Honey Crop a Record

Mexico produced an estimated 87.5 million pounds of honey in 1969, according to the Mexican Secretariat of Agriculture and Livestock. This compares with an output of 80.2 million pounds in 1968 and an average of 59.5 million pounds during 1960-64.

In 1969 Mexico was again the world's leading exporter of honey with 57.3 million pounds. West Germany was the country's major market in 1969 with 35.2 million pounds, followed by the United States (11.2 mil. lb.), Switzerland (3.8 mil. lb.), and the United Kingdom (3.7 mil. lb.).

The Secretariat's forecast for 1970 is for an even larger crop than in 1969, providing the weather is good until the harvest is completed.

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